

## Guest Opinion: New energy development under attack

By HENRY DYKEMA

| Posted: Thursday, February 17, 2011 12:00 am

Clean, affordable, homespun energy means hundreds of millions of dollars of investment in rural communities and thousands of jobs for Montana. Unfortunately, Montana's burgeoning clean-energy economy is under attack in the state Legislature.

The clean-energy sector represents one of the bright spots in our struggling state and national economy, growing through the global recession in the last several years. Today, 65 renewable energy and efficiency companies call Montana home.

According to a 2010 report by Bozeman-based Headwaters Economics, the clean-energy sector provides the single best opportunity for new high-paying jobs in Montana. From small, Main Street backyard wind turbine and rooftop solar panel installers to energy giants like General Electric Energy, the clean-energy sector already employs 2,200 Montanans and is growing every day.

How has this new industry pushed through the darkness of the recent recession?

Montana has attracted new clean-energy entrepreneurs and jobs with great care, using state policy to drive investment in the blossoming industry. In 2005, with the leadership of Gov. Schweitzer and then state Sen. Jon Tester, Montana passed a renewable-energy standard (RES). The RES was created to spur the development of new sources of renewable energy — and the jobs and economic development that go along with it — by requiring utilities to acquire 15 percent of their electricity from renewable sources by 2015. Under the RES, renewables are defined as wind, solar, geothermal and small hydroelectric projects. Montanans overwhelmingly support clean renewable energy; our RES ensures that our utilities use at least some of our energy dollars to deliver the goods.

Montana's utilities are well on their way toward achieving that goal and the effort has resulted in more jobs, a boost to the state's tax base, cleaner energy and the potential for far greater benefits over time.

But if the RES is dropped or weakened, renewable-energy producers may view Montana as a bad climate for new investment.

Montana is in the top five states in terms of wind energy potential. But producers need a strong, stable policy commitment in order to develop and bring jobs here.

History demonstrates that the RES has created jobs in the state and positioned Montana as a leader in clean energy. Ten years ago, Montana produced zero megawatts of wind energy. Today that figure is 400 megawatts. Unfortunately, members of the Montana Legislature are busy crafting bills that say "closed for business" to the industry that promises to be the primary economic driver in the 21st century worldwide.

For example, Whitefish Rep. Derek Skees' attempt to repeal the RES altogether, HB244, would have undermined the stability of the industry, jeopardized good jobs and limited the renewable energy options available to Montana consumers. We commend the committee members for acting in a responsible and bipartisan way and voting against this bill, and we urge legislators to halt further attempts to repeal or weaken Montana's RES.

Other bills threaten small-scale clean-energy development in our state. State Sen. Jason Priest's legislation, SB226, directly attacks small, independent power producers and installers by requiring that net-metered customers pay an additional fee for supplying their excess energy back to the grid. Our net metering statute has allowed hundreds of utility customers to install roof-top solar panels and backyard wind turbines. By unfairly charging these customers new rates, this bill dismantles a system that has worked since 1999 to encourage investments in clean energy and Montana jobs.

SB226 destroys the economic viability of installing small, distributed power systems and may result in a rate hike of approximately 33 percent for a typical net metered customer. It limits the ability of Montanans to decide how they would like to produce, use and consume their power, by making it more difficult to harness the clean energy available on their own property.

These attacks and others on our clean-energy policies mean fewer jobs, less investment in rural communities and dependence on dangerous and volatile foreign sources of energy.

But with the right policies, every Montanan can benefit from the growing clean-energy economy. In addition to their contributions to Montana's job market and overall economy, wind and other renewable sources of energy promise energy independence and long-term price stability for consumers. So, rather than putting up policy roadblocks that scream, "closed for business," we ask Helena and Washington to stand with independent-minded Montanans and invite the investments, jobs and energy independence that clean energy delivers.

Henry Dykema owns

Sundance Solar Systems in Red Lodge.



LETTER

## LETTER: Montana Needs Clean Homegrown Energy

By Web Master, 2-20-11

Several Flathead-area senators deserve thanks for voting to protect energy independent Montanans. Thanks, in particular, to Sen. Ryan Zinke (R-Whitefish) for his leadership.

Recently, the state Senate voted against a bill (SB 226) that would have crippled grid-interconnected home scale solar and wind energy projects in Montana. During the debate, Zinke stood up and said Montana should do all it can to support energy independence as a matter of national security. I whole-heartedly agree.

SB 226, sponsored by Sen. Jason Priest, R-Red Lodge, would force folks to pay an extra fee to the utility while they are trying to help fix our future energy problems. These private citizens have taken it upon themselves at their cost to make their private homes or backyards produce clean electricity that can safely supply their homes and beyond. While Priest is determined to punish home scale energy producers if they are connected to the grid, states on the West Coast are developing reward programs that do the exact opposite with what's known as a Feed In Tariff. Home scale producers of solar and small wind power get a super bonus for every kilowatt hour they produce from renewable energy as an inducement to bolster power production during the daytime when we use the most power. SB 226 seems to single out Montanans who are working hard to do their part to wean our country off of foreign oil and less clean energy sources.

When it came to the vote, Sen. Jon Sonju, R-Kalispell, and Sen. Carmine Mowbray, R-Polson, joined Zinke and helped stop this backward-looking proposal, for now. The bill is headed back to committee. Let's make sure it doesn't see the light of day. Montana needs clean, distributed and homegrown energy.

*Kip Drobish*

*Oso Renewable Energy*

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## Guest column: Decentralized renewable energy key to Montana's future

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Posted: Tuesday, February 1, 2011 10:05 am | Updated: 10:06 am, Tue Feb 1, 2011.

By Conor Darby, guest columnist

Talk to people in the know on energy issues, and you'll see why the industry's future is characterized by uncertainty. Experts attest that we'll face rising electricity prices as fossil fuel supplies dwindle and power generators begin to include the costs of carbon pollution in their pricing. Look no further than the plan to export Montana coal all the way to China as an example of increased worldwide competition for fossil fuels, and note that not a single new coal fired power plant was built in the United States during all of 2009 and 2010 as power providers hedged against the assumed future price of carbon pollution.

In a world of increasing fossil fuel prices, small-scale, decentralized renewable energy systems are an increasingly attractive option for policymakers and homeowners alike. Decentralized renewable energy takes advantage of clean and unlimited energy sources like the sun and the wind; it avoids the dangers of volatile fossil fuel prices; and it helps to avoid the need for costly upgrades to the transmission grid. It also creates jobs: Dozens of Montana companies sell and install small renewable energy systems.

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Given that decentralized renewable energy will be a critical part of Montana's future energy mix, it is critical that the state Legislature reduce arbitrary and capricious barriers to this energy source, and refrain from erecting new ones.

Montana law requires investor-owned utilities to provide "net metering" for customers who install renewable energy systems such as solar panels and small wind turbines. Under net metering, the energy from the customer's system first powers their own home or business. When the system produces more than the customer uses, the excess flows out onto the electric grid and the customer's meter spins backwards, generating a credit on their electric bill. Customers that produce as much electricity as they use can zero out their electric bills. Net metering is the single most important incentive for consumer investment in renewables, as it enables system owners to reap the full value of their energy production.

However, current Montana law limits the size of net-metered systems to 50 kilowatts. Among the 46 states with net-metering laws, more

than three-quarters have higher caps, including our neighbors North Dakota, Idaho, Oregon and Washington. There are already about a dozen solar and wind systems installed in Montana that are maxing out the 50 kW cap, and demand is constantly on the rise. Montana businesses want this technology - the 50 kW cap is standing in the way of increased investment in renewable energy, and the jobs that go with it.

Further impediments to Montana's decentralized renewable energy industry include limitations on joint or third-party ownership of net-metered systems. This prevents groups of neighbors from installing a single solar or wind system and sharing the benefits of their investment. It also prevents one company from installing a renewable energy system on another's property in a mutually beneficial agreement.

Decentralized renewable energy currently faces an even greater threat. SB 226, a bill introduced by State Sen. Jason Priest, would undermine the very concept of net-metering by setting two separate electricity rates for net-metered customers: a lower rate for power received by the utility from the customer's renewable energy system, and a higher rate for power purchased by the customer. This would mean hefty power bills each month for all net-metered customers, even those that produce as much power as they use. SB 226 would discourage homeowners and business owners from investing in small renewable energy systems, just when we need such systems more than ever. It's an attack on renewable energy and a step in the wrong direction for Montana.

As Montana weighs its energy future, we need to ensure that decentralized renewable energy is given a fair chance. Homeowners and business owners that wish to invest in renewable energy should be encouraged to do so, rather than discouraged by unnecessary fees and arbitrary limits. Encouraging decentralized renewable energy is vital to ensure that Montana remains competitive in the energy markets of the future.

Conor Darby is general manager of Independent Power Systems in Bozeman and president of the Montana Renewable Energy Association.

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# Missoulian

## **Oppose SB226 to save jobs: NorthWestern Energy-supported bill would add costs for investing in clean energy systems and do nothing to fix net-metering statute**

**Guest column by CONOR DARBY, BEN REED, TOM BISHOP, MITCH TROPILA and RON ERICKSON | Posted: Thursday, March 17, 2011 8:00 am**

During the first week of the 2011 legislative session, lawmakers invited businesses from around the state and from many economic sectors, including renewable energy companies, to speak about laws and policies that would help make Montana more business-friendly and strengthen our economy.

We were encouraged that this legislative session started with a strong commitment from both sides of the aisle to support jobs, innovation and small-business growth in Montana. Thus, we were taken aback when Sen. Jason Priest, R-Red Lodge, introduced Senate Bill 226.

This bill would be a blow to the dozens of Montana-based small businesses that sell rooftop solar panels and backyard wind turbines across the state. SB226 undermines the current "net-metering" law that governs how these small-scale renewable energy systems may be utilized and substantially increases costs for businesses and individuals who invest in clean energy systems.

Under existing net-metering law, NorthWestern Energy customers who install a renewable energy system on their property are credited on their electrical bill for the full value of the power they produce. If they produce less than they use, they pay for the net amount delivered to them from the utility. Because these customers are still hooked up to the grid, they also pay a \$5 delivery service charge every month, just like any other electric customer.

If SB226 passes, future net-metered customers would be compensated at a much lower rate for electricity produced by their home power system. Equivalent to a tax, this policy will increase the electric bill of a future net-metering customer by up to 33 percent.

While SB226 is being pitched under the guise of "fairness" it does nothing to fix a real problem in the net-metering statute. If the customer's system produces more energy than is consumed on an annual basis, the utility takes this excess energy without compensation, sells it at the full retail rate to neighboring customers and keeps all the revenue.

To justify the up to 33 percent rate hike, the bill sponsor and NorthWestern Energy continue to argue that other ratepayers are subsidizing transmission and distribution costs for net-metered customers. Yet not once were they able to show the origin of, nor quantify, this supposed "subsidy." By contrast, the impact of this bill on future net-metering customers, and the clean energy workers who serve them, would be truly calamitous.

Montana's homegrown renewable energy businesses provide jobs, contribute capital investments, pay taxes and help bolster local economies throughout Montana. These businesses and employees deserve to be supported, not burdened with backward legislation.

Today, there are more than 800 net-metered systems in Montana and more than 30 companies across the state in the business of selling these systems. Each of these businesses provides direct employment for up to 12 people, and on top of that they typically contract with electricians, roofers, excavators, concrete businesses and engineers. Unjustified cost increases in SB226 will effectively discourage private investment in renewable energy, kill the demand for net-metered systems and

reduce the potential for high-paying, clean energy jobs during these tough economic times.

It is also a concern to us, as citizens of this great state, that SB226 passed the Senate on the third and final vote after having been defeated twice. It is clear that the majority of senators, Republicans and Democrats alike, believe this is a bad bill. When the sponsor and proponents couldn't support their position based on facts, science and economics, they instead applied substantial political pressure to convince some of their colleagues to change their votes. The bill narrowly passed the Senate on a 26-24 vote. It is a sad state of our legislative process when political affiliation becomes more important than what is good for Montana.

We appreciate the senators who stood up in support of innovation, entrepreneurship, economic reality and energy independence by voting against this bill. We especially appreciate those senators who resisted partisan political pressure and voted based on the merits of the proposed legislation - precisely what we expect of all of our representatives in government.

As SB226 moves to the House, we hope that our representatives will have better judgment and lay this punitive, anti-jobs and anti-renewable energy bill to rest.

*This opinion piece is signed by Conor Darby of Independent Power Systems in Bozeman; Ben Reed of Winpower West in Billings; Tom Bishop of Sunelco in Victor; and state Sens. Mitch Tropila, D-Great Falls, and Ron Erickson, D-Missoula.*

## Majority supports fossil-fuel energy development and also wants alternatives

By MIKE DENNISON IR State Bureau | Posted: Monday, March 21, 2011 12:00 am

A majority of Montanans say they support restricting Montana's environmental laws and regulations to encourage more oil, gas, coal and mineral development, according to a statewide poll by Lee Newspapers.

Yet the poll also showed that an even larger majority of Montanans say they support state incentives for energy conservation and development of renewable power, such as wind — even if those efforts might increase utility costs.

The poll, conducted for Lee Newspapers by Mason-Dixon Polling & Research Inc. of Washington, D.C., surveyed 625 Montana registered voters by telephone early last week. It has a margin of error of plus-or-minus four percentage points.

It asked a trio of questions about energy and environmental issues currently before the Montana Legislature.

When asked if they would support enactment of state laws to restrict environmental regulations to encourage more oil, gas, coal and precious mineral development, 53 percent said they would, while 37 percent said they opposed such efforts. Ten percent were undecided.

When asked if they support state efforts to encourage development of renewable energy, solar power and energy conservation, 62 percent said they did — even if the “new energy sources might increase utility costs for consumers.”

Only 29 percent said they opposed such efforts, and 9 percent were undecided.

The poll also asked people where they stood on amending Montana's constitutional guarantee to a clean and healthful environment, so it also says the guarantee includes “an economically productive environment.”

Forty-two percent said they supported such a change, 40 percent opposed it and 18 percent were undecided.

Rep. Dan Kennedy, R-Laurel, is proposing a constitutional amendment to insert the new, amended language. It passed the House 63-32 last month and was approved last week by a Senate committee. However, it needs 100 legislative votes to get on the 2012 ballot — and is unlikely to pick up the needed 37 votes in the Senate.

The Legislature's Republican majority has been pushing through bills to restrict Montana's environmental regulations and streamline permitting processes to make it easier for more oil, gas, coal and metal development in Montana.

However, Republicans also have been approving some legislation to undercut or eliminate state incentives and mandates meant to encourage wind, solar and other renewable power development, as well as energy conservation.

In the poll, support for renewable-power development was strong among all sub-groups surveyed — except Republicans.

Sixty percent of men polled, 64 percent of women, 61 percent on those identifying themselves as political independents and 82 percent of those who said they are Democrats supported renewable-power and conservation incentives.

Only 47 percent of Republicans were in favor of such incentives, while 45 percent said they oppose state efforts to encourage renewable power, if those power sources might increase utility bills.

On the question of relaxing environmental laws and regulations to encourage fossil-fuel and mineral development, men were more supportive than women and Republicans were strongly in favor. Democrats, however, were opposed, by 65 percent to 27 percent.

On the question of whether to amend the state constitution's “clean and healthful environment” guarantee to include



"economically productive," the support was fairly evenly split among men, women and independents.

Self-identified Democrats and Republicans differed, however. Forty-five percent of Democrats surveyed opposed the change and 37 percent supported it, while 47 percent of Republicans supported the change and 34 percent opposed it.